

Message Text

PAGE 01 ROME 11537 170552Z

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(CORRECTED COPY - E.O., TAGS & SUBJECT LINE)

USDOCOSOUTH FOR INTAF
SHAPEUSNR FOR POLAD

E.O. 11652: GDS
TAGS: ELAB, EGEN, IT
SUBJECT: LABOR POLICY TOWARD THE NEW GOVERNMENT

1. SUMMARY: ITALY'S THREE MAJOR LABOR CONFEDERATIONS, MEETING
JOINTLY IN THE CCU FORMAT, ARE CALLING FOR A GOVERNMENT PROGRAM
WHICH WILL ENJOY "THE BROADEST BACKING" I.E., INCLUDING THE
COMMUNISTS. IN EXCHANGE FOR THE NASCEST GOVERNMENT'S WILLINGNESS
TO ENACT A VARIETY OF LABOR GOALS SUCH AS THE PROTECTION OF JOBS,
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PAGE 02 ROME 11537 170552Z

EASDING OF CREDITS AND THE IMPLEMENTATION OF MEASURES TO AID THE
DEPRESSED SOUTH, THE CCU IS OFFERING A KIND OF SOCIAL CONTRACT.
LABOR IS WILLING TO CONSIDER A LIMITED TEMPORARY WAGE FREEZE
AS WELL AS MODIFICATIONS IN REGULATIONS GOVERNING SEPARATION

PAY, VACATIONS AND CERTAIN ASPECTS OF ABSENTEEISM. THE LABOR PROPOSAL WILL BE PRESENTED TO PRIME MINISTER-DESIGNATE ANDREOTTI ON MONDAY. END SUMMARY.

2. THE 90-MAN EXECUTIVE COUNCIL OF THE FEDERATION CGIL-CISL-UIL (CCU) -- 30 MEMBERS FROM EACH CONFEDERATION, CONSTITUTING ITALIAN LABOR'S "PARLIAMENT" -- OPENED A TWO-DAY SESSION JULY 15. THE KEYNOTE MESSAGE WAS DELIVERED BY RINALDO SCHEDA, CGIL NATIONAL SECRETARY AND GENERALLY REGARDED AS THE PCI'S TOP MAN IN THE CGIL.

3. SPEAKING ON BEHALF OF THE CCU, SCHEDA EMPHASIZED THE UN-ACCEPTABILITY OF "A TRANSITORY GOVERNMENT" (GOVERNO D'ATTESS). RATHER, THE CCU INTENDS TO TURN TO "ALL THE DEMOCRATIC PARTIES, WITHOUT DISCRIMINATION" BECAUSE THERE IS NEED "FOR A RAPID SOLUTION OF THE CRISIS THROUGH A GOVERNMENTAL PROGRAM WHICH HAS THE BROADEST BACKING, WITHOUT THE REFUSAL OF ANY SUPPORT."

4. SCHEDA OUTLINED A SERIES OF STEPS, RESEMBLING A SOCIAL CONTRACT (BUT CAREFULLY NOT SO LABELLED), WHICH THE UNIONS ARE WILLING TO TAKE AS A CONTRIBUTION TO CURING THE NATION'S ILLS. THE CCU IS DISPOSED TOWARD ACCEPTING "A TEMPORARY FREEZE" OF WAGE ESCALATION AND WAGE INCREASES FOR WORKERS EARNING MORE THAN A CERTAIN AMOUNT (EVIDENTLY TO BE FIXED AT EIGHT MILLION LIRE -- SOME \$10,000 -- ANNUALLY). THE RESULTING SAVINGS WOULD "BE SET ASIDE, EARMARKED FOR PRODUCTIVE PURPOSES UNDER THE CONTROL OF THE UNIONS." FURTHER THE CCU IS PREPARED TO NEGOTIATE POSSIBLE CHANGES IN THE CURRENT LUCRATIVE FORMULAE FOR SEPARATION PAY AS WELL AS VACATIONS, HOLIDAYS AND THE SO-CALLED BRIDGES (DAYS OF ABSENTEEISM BETWEEN WEEKENDS AND HOLIDAYS) "WHILE LEAVING THE NORMAL HOURS OF WORK UNCHANGED." THIS LAST REFERS TO A PROPOSAL TO FOREGO MOST HOLIDAYS AND TO GROUP THEM TOGETHER AS ADDITIONAL VACATION. AS FOR ABSENTEEISM IN GENERAL, SCHEDA SAID THIS IS A SUBJECT WHICH SHOULD BE DEALT WITH ON A CASE-BY-CASE BASIS AT THE PLANT LEVEL.

5. IN EXCHANGE FOR THIS PACKAGE OF POTENTIAL LABOR CONCESSIONS, LABOR EXPECTS GOVERNMENTAL PERFORMANCE ON SEVERAL FRONTS, SCHEDA LIMITED OFFICIAL USE
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PAGE 03 ROME 11537 170552Z

SAID. THE PRIMARY EXPECTATIONS OF LABOR WILL CONCENTRATE ON THE ROLE OF STATE PARTICIPATION IN THE NATIONAL ECONOMY (I.E., AN AMALGAMATION OF THE VARIOUS FORMS OF STATE PARTICIPATION); THE REDUCTION OF THE COST OF MONEY ; A SOLUTION TO THE PROBLEM OF CREDITS IN ORDER TO FAVOR AGRICULTURE, HOUSING CONSTRUCTION, AND SMALL AND MEDIUM INDUSTRIES; AND THE TIMELY IMPLEMENTATION OF THE VARIOUS MEASURES ENACTED BY PARLIAMENT FOR THE ASSISTANCE OF THE UNDERDEVELOPED SOUTH. OTHER EVIDENCES OF THE NEW GOVERNMENT'S "GOOD WILL" WILL BE SOUGHT IN STEPS TAKEN TO SOLVE THE INDUSTRIAL CRISES THROUGH THE IPO-GEPI MECHANISM, PLANS FOR EMPLOYING YOUNG FIRST-TIME JOB SEEKERS, THE LIMITATION OF PUBLIC EXPENDITURES TO PRIORITY OBJECTIVES" AND THE FIGHT TO COMBAT

FISCAL EVASION INCLUDING MODIFICATIONS IN BANKING SECRECY PROVISIONS.

6. COMMENT. WHILE SOME MURMURINGS AGAINST THE PROPOSED PARTIAL WAGE FREEZE CAN ALREADY BE HEARD AT THE CCU SESSION, THE SCHEDA REPORT IS APT TO BE ADOPTED LARGELY INTACT. THIS DOES NOT MEAN THAT IT WILL BE READILY ACCEPTED BY THE CONSTITUENT UNIONS, THE MORE POWERFUL OF WHICH CONTAIN THE MAJORITY OF THOSE WHO WOULD BE ADVERSELY AFFECTED. PERHAPS THE MOST IMPORTANT PORTION OF THE SCHEDA REPORT IS THE CALL FOR "THE BROADEST BACKING" FOR GOVERNMENTAL PROGRAMS, ETC. THE FINE HAND OF THE COMMUNIST PARTY CAN READILY BE DIVINED IN THE CAREFULLY SCULPTED LANGUAGE.

7. A CCU DELEGATION WILL BE MEETING ON MONDAY WITH PRIME MINISTER-DESIGNATE ANDREOTTI TO PRESENT LABOR'S DEMANDS AND OFFERS. VOLPE

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